

EXHIBIT 1

INTRODUCTION

Respondent Robert Prenter was a candidate for the Republican nomination to the 30th Assembly District seat in the March 26, 1996 primary election. He successfully defeated the incumbent Republican Assemblyman Brian Setencich in the primary election and was later elected to the Assembly.

During this time period, Mr. Prenter controlled a committee known as the Committee to Elect Robert Prenter for Assembly. Respondent Prenter and his committee violated campaign reporting provisions of the Political Reform Act (Act)¹ by failing to properly file all of their campaign statements prior to the March 26, 1996 primary election.

For purposes of this stipulation, the violations of the Act are as follows:

COUNTS 1-2: Failure to file two pre-election campaign statements with the clerk of the county with the largest number of registered voters in the district affected, in violation of Government Code section 84200.5, subdivision (a) and section 84215, subdivision (b)(2).

RESPONDENTS: Robert Prenter and the Committee to Elect Robert Prenter for Assembly

SUMMARY OF THE LAW

COUNTS 1 - 2

Section 81002 provides that campaigns shall fully and truthfully disclose information regarding receipts and expenditures in election campaigns in order to fully inform the public and inhibit improper practices. The Act established a campaign reporting system to accomplish this purpose which requires that campaign committees to file campaign statements disclosing contributions received and expenditures made during various time periods and in specific places.

Government Code section 84200.5, subdivision (a) states in addition to the semi-annual campaign statements required by section 84200, candidates for state elective office must file pre-election campaign statements covering specific time periods before the primary and general elections.

Section 84215, subdivision (b) provides that candidates for the Legislature are required to file the original and one copy of their campaign statements with the Secretary of State's office and two copies with the clerk of the county with the largest number of registered voters in the districts affected by the election.

¹The Political Reform Act is contained in Government Code Sections 81000 through 91015. All statutory references are to the Government Code unless otherwise indicated. Commission regulations appear at 2 California Code of Regulations Section 18000 et seq. All references to regulations are to Title 2, Division 6 of the California Code of Regulations.

SUMMARY OF THE FACTS

COUNTS 1 - 2

Respondent Robert Prenter was a candidate for the Republican nomination to the 30th Assembly District seat in the March 26, 1996 primary election. Mr. Prenter was unknown in political circles and had never run for public office prior to this election.

Until March 14, 1996, twelve days before the election, respondents' campaign statements only reported a total receipt of \$300 in contributions and an expenditure of \$22 for their entire campaign. These amounts did not even meet the \$1,000 threshold to qualify for recipient committee status. Between March 9, 1996 and March 22, 1996, respondents received monetary and non-monetary contributions from the California Independent Business Political Action Committee (hereafter "CIB PAC") totaling more than \$230,000.

Prior to running for the Assembly seat, Respondent Prenter was a medical account representative living in Visalia in Tulare County. The 30th Assembly District seat is comprised of portions of Fresno, Kern, Kings and Madera counties. In December 1995, Mr. Prenter moved to Hanford in Kings County after filing his "Declaration of Intention" to be a Republican Assembly candidate for the primary election.

On January 16, 1996, Respondent Prenter filed an "Officeholder and Candidate Campaign Statement - Short Form (Form 470) declaring that he did not have a controlled committee and did not anticipate receiving or spending \$1,000 or more during the calendar year. The statement indicated, however, that it covered calendar year 1995, not 1996. On the same day, Respondent Prenter filed a Statement of Organization (Form 410) for his controlled committee, the "Committee to Elect Robert Prenter for the Assembly" (hereafter "CERPA"). Veronica Prenter, his then wife, served as the committee's treasurer until September 1996, when the statement of organization was amended to identify a different committee treasurer. Neither Respondent Prenter nor his wife had any prior experience in running a political campaign or serving as a committee treasurer.

For the first pre-election reporting period from 01/01/96 through 02/10/96, CERPA filed a campaign statement reporting the receipt of contributions totaling \$300 and expenditures of \$22. The sole contribution was a loan from Respondent Prenter and the expenditures were for photocopies at the Fresno County elections department. The campaign statement was filed in Kings County, the county of Mr. Prenter's and his committee's domicile, on February 15, 1996, and with the Secretary of State's office on February 20, 1996. Respondent Prenter did not file the statement with Kern County, the county with the largest number of registered voters in the district affected by the election.² (Section 84215, subdivision (b)(2).)

² The 30th Assembly District is comprised of portions of Fresno, Kern, Kings and Madera counties. In January 1996, Kern County had the largest number of registered Republican voters (18,815) who would be affected by the 30th Assembly District election. The other counties had lesser amounts - Kings (15,865); Fresno (11,628); and Madera (1,106). Therefore, Prenter should have filed copies of all campaign statements in Kern County.

On a hand-written second pre-election campaign statement for the period from 02/11/96 through 03/09/96, CERPA reported receiving contributions totaling \$145,502, but did not report any expenditures. A typewritten campaign statement for the same period, reported the same contributions, but disclosed expenditures of \$65,578. Robert and Veronica Prenter signed both of these campaign statements on March 14, 1996 in Hanford, California. Nearly all of the reported contributions were from CIB PAC - a \$65,000 monetary contribution and \$80,052 in non-monetary contributions for mailings, polling, radio production and staff salaries. Of the total \$65,578 in reported expenditures, \$65,000 in expenditures were made to Target Enterprises Ltd. for television and radio advertising.

Both the hand-written and typed version of the second pre-election statement were filed in Kings County on March 14, 1996. The hand-written version was received by facsimile, but not filed, at the Secretary of State's ("SOS") office on March 14, 1996. The typed version was received by mail and officially filed with SOS on March 21, 1996. Respondents paid a \$70 fine to SOS for this late filing. Neither version of this campaign statement was filed with the clerk of Kern County.

Based on the foregoing, Respondent Prenter and his controlled committee CERPA violated the campaign reporting provisions of the Act by failing to timely and properly report all campaign activity with the appropriate filing officers.

CONCLUSION

The failure to properly file campaign statements in a statewide legislative campaign deprived Republican voters of the 30th Assembly District of information regarding Respondent Prenter and his financial supporters. Respondent Prenter received substantial contributions late in the campaign that were not properly reported. Respondents should have been aware of the requirement to file their campaign statements timely and in all of the required places.

In mitigation, there was some public disclosure of Respondent Prenter's campaign activities in a Kern County newspaper shortly before the election reporting Prenter's support by CIB PAC. Respondent Prenter has no prior history of violating the Political Reform Act and has been out of public office since serving one term in the Legislature.

This matter consists of two counts, which carry a maximum possible administrative fine of dollars (\$4,000.00).

The facts of the case, including the mitigating and aggravating factors discussed above, justify imposition of the agreed upon fine of dollars (\$1,500.00).